

INSTRUCTION NO.
LI 45-6

LI 45-6
LOGISTICS
Revised 11 April 1967

PART II

MATERIEL DISCREPANCIES - U. S. GOVERNMENT SOURCES

1. POLICY

- a. Discrepancies arising in connection with the initial receipt of materiel pursuant to orders placed with other U. S. Government agencies shall be considered:

- (1) Consequential, if the dollar value is (a) ^{A50}\$25.00 or more per line item for overages or erroneous materiel, or (b) \$100.00 or more per line item for materiel technically rejected, short, damaged, defective or lost in transit; and
- (2) Inconsequential, if the dollar value is (a) ⁵⁰less than \$25.00 per line item for overages and erroneous materiel, or (b) less than \$100.00 per line item for materiel technically rejected, short, damaged, defective or lost in transit. (For

25X1C [REDACTED]
the Supply Division will accomplish specific accounting documentation for discrepancies in these categories of materiel. The inconsequential classification will apply only to our settlement with other U. S. Government agencies.)

- b. Credit billings will be requested for all consequential discrepancies, after investigation and validation of shipping data. The Office of Finance will be advised accordingly.
- c. Inconsequential discrepancies will be accepted, and no action will be taken to obtain adjustments from suppliers or carriers.
- d. When latent discrepancies are disclosed subsequent to the time a Receiving Report is processed, requests for credit billings from suppliers or claims against the carriers will be submitted or internal adjustments will be made, at the discretion of the Chief, Supply Division, OL.

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GROUP I Excluded from automatic downgrading and declassification

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- 25X1A
- e. Supplier's adverse decisions to requests for credit billings may be challenged and appealed to the Comptroller of the supplying activity through the Director of Finance when the amounts are significant (\$1,000.00 or more).
 - f. [REDACTED], hereinafter identified as Receiving Activities, authorized direct procurement through General Services Administration (GSA) shall resolve discrepancies in accordance with the policy and in the manner prescribed by the local GSA Regional Office.

2. RESPONSIBILITIES

a. Supply Division (OL/SD) shall:

- (1) Record discrepancies and the reasons therefor. In instances of damage or loss in transit, note details such as the condition, the probable cause and whether the carrier's representative inspected the materiel, accepted or disclaimed responsibility prior to his departure from the receiving area.
- (2) ^{In co-ordination with the requisitioning office,} Determine if items lost in transit, received short, damaged or having latent defects are to be reordered or cancelled.
- (3) Determine if overshipments or erroneous materiel is acceptable to the originating office or for acceptance in the Agency stock system.
- (4) Resolve discrepancies within the intent of this instruction and in compliance with applicable directives of the supplying activity.
- (5) Cancel or reorder replacement and short items when requested by the originating office.

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- (6) Request adjustments on billings for consequential discrepancies per paragraph 1.b. above.
 - (7) At the discretion of the Chief, Supply Division, challenge and appeal adverse decisions of the supplying activity relative to requests for credit billings, per paragraphs 1.b. or 1.d.
 - (8) Advise the Office of Finance of action taken to adjust billings.
 - (9) Advise Receiving Activities of action to be taken when discrepancies are disclosed.
- b. Logistics Services Division (OL/LSD) and Printing Services Division (OL/PSD) shall follow the procedures for receiving activities (paragraph 3. below) when discrepant deliveries are in connection with materiel delivered directly to their receiving area as a result of a U. S. Government procurement initiated by OL/SD.
3. PROCEDURES
- a. General
- (1) Receiving Activities shall prepare Receiving Reports, Form 2216a, 595, or their equivalent for all materiel received. Item(s) shall be inspected for compliance with the procurement instrument, MILSTRIP/FEDSTRIP Orders (Form 2216), or Letter Order. Discrepancies shall be noted by the Receiving Unit or the Technical inspector as appropriate.
 - (2) Receiving Reports that involve shortages, overages, damages, unacceptable materiel, partial or total losses of shipments, and shipments received with latent defects shall be annotated as consequential discrepancy or inconsequential discrepancy in accordance with paragraph 1.a.(1) or (2) above.

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UNCLASSIFIED	CONFIDENTIAL	SECRET

OFFICIAL ROUTING SLIP

TO	NAME AND ADDRESS	DATE	INITIALS
1	C/C & L 604 Key	6/13/75	CEP
2			
3	AD/L 605 Key	6/17/75	PS
4			
5	OF/PS		CE
6			

ACTION	DIRECT REPLY	PREPARE REPLY
APPROVAL	DISPATCH	RECOMMENDATION
COMMENT	FILE	RETURN
CONCURRENCE	INFORMATION	SIGNATURE

Remarks:

Please review the attached draft of LI 45-6 concerning receiving discrepancy procedures. The attached impacts on both C & L and AD/L.

Request review and return to PS by 13 June.

FOLD HERE TO RETURN TO SENDER

FROM: NAME, ADDRESS AND PHONE NO.	DATE
OF/PS	6/14/75
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Supplies inflation has overtaken the former \$25 + \$50 limits. Have no objection to raising, but suggest P5+F Officers be solicited for comment on what it would be to allotments/oblige in case an order placed in late June had several \$100 ^{per line items} increased ~~to~~ in subsequent FY causing amt paid to exceed amt obligated.

C. P.

ROUTING AND RECORD SHEET

SUBJECT: (Optional)

Revision to Logistics Instruction 45-6 Receiving Discrepancy Policy and Procedures

FROM:

C/Regulations & Procedures Section,
Operations Support Branch, Supply Div.

EXTENSION

3173

NO.

DATE

3 June 1975

TO: (Officer designation, room number, and building)

DATE

RECEIVED

FORWARDED

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1.

PS/OF

2.

3.

4.

5.

6.

SD/OSB/RPS

7.

8.

9.

10.

11.

12.

13.

14.

15.

Attached is a draft of our proposed LI 45-6 for your review and concurrence. If you concur, we will submit the final, signed by the Director of Logistics, to you for the Director of Finance's official concurrence.

Please note that this revision will require your OFHB paragraph 20.11 and e to be changed to increase the break-point between inconsequential and consequential discrepancies from \$25 to \$50.

C/RPS/OSB/SD/CL